

Counties are given the authority to impose a County Hotel Operators' Occupation Tax. See 55 ILCS 5/5-1030. (This is a GIL).

November 10, 1999

Dear Mr. Xxxxx:

This letter is in response to your letter dated October 21, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

Our office is requesting an opinion on this matter:

Our county wants to start a Hotel/Motel Tax.

Question 1. Can we charge 5%?

Question 2. Can we charge the 5% fee if the municipality is already charging a H/M tax? Must we then stay in the unincorporated areas?

I'm sorry to put this on an ASAP, but our County Board wants to move quickly on this.

You can call me back at ####

Thanks in advance for your help.

The Illinois Department of Revenue does not administer or enforce County Hotel Operators' Occupation Taxes. Therefore, the Department has no jurisdiction in this area. However we note for your information that counties are given the authority to impose a County Hotel Operators' Occupation Tax. See 55 ILCS 5/5-1030. This section reads, in part, as follows:

"The corporate authorities of any county may by ordinance impose a tax upon all persons engaged in such county in the business of renting, leasing or letting rooms **in a hotel which is not located within a city, village, or incorporated town that imposes a tax under Section 8-3-14 of the Illinois Municipal Code** as defined in 'The Hotel Operators' Occupation Tax Act' at a rate not to exceed 5% of the gross rental receipts from such renting, leasing or letting, excluding, however, from gross rental receipts, the proceeds of such renting,

leasing or letting to permanent residents of that hotel,."
(Emphasis added)

Therefore, your county can impose a County Hotel Operators' Occupation Tax as set forth in 55 ILCS 5/5-1030. Since the Department does not administer or enforce such a tax, you may wish to contact your state's attorney for additional information regarding such a tax.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.